

10th August, 1947.

B.S.E. 1947/6.

NEW SOUTH WALES.

DIGEST OF CURRENT STATISTICS.

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PART I: EMPLOYMENT & NON-RURAL INDUSTRIES.E m p l o y m e n t (New South Wales)GENERAL:

Total employment in non-rural industries continues to increase though at a slower rate than during 1946. Between July, 1945 and June, 1947 the number of male employees rose by 131,000 to 672,000, indicating that about two thirds of the 200,000 servicemen discharged during that period entered non-rural employment, the rest being employers, workers on own account or rural workers. A small number of ex-servicemen is still undergoing full time training. Apart from these, most discharged men available for jobs have now entered employment. The number of female employees (252,000 in May and June, 1947) is near the peak level of the war years and 50% higher than at outbreak of war.

With demobilisation completed and unemployment insignificant, no further substantial increase in the number of men and women offering for work can be expected except from natural increase, immigration or transfers of self-employers to wage earning employment. Construction of new factories and extension of existing plants, as well as the house building and public works programmes will require progressively more labour during the coming months, and it is likely that the 40-hours week, which was introduced in July, may have a similar effect. The Industrial Relations Conference of representatives of the Government, employers and employees, which was held in Canberra in August, stressed the need for increased production if shortages are to be relieved and living standards to be maintained. It stated that man-power and coal-production formed the major bottlenecks for production, and called for greater intensity and efficiency in production, increased mechanization, prevention of disputes and appealed also to war-workers (who have given up employment) to return to work.

EMPLOYMENT IN NEW SOUTH WALES

(Excluding employers, unpaid helpers, and workers on own account).

Thousands

Thousands						MEN FROM N.S.W. IN ARMED FORCES	UNEMPLOYMENT (All Causes)
Month	Wage & Salary Earners in Employment.						
	Rural Workers	Domestics (a)	All Other Wage Earners (Excl. Rural and Domestics)				
	Males	Females	Males	Females	Total		Males
939 July	81(b)	52	530	168	698	6	112
945 July	40(b)	19	541	247	788	224	18(c)
946 July	63(b)	20	625	243	868	50	
Aug.			633	243	876	45	
Sept.			638	245	883	42	
Oct.			643	247	890	38	
Nov.			647	250	897	36	
Dec.			647	251	898	33	
947 Jan.			653	249	902	30	
Feb.			655	249	904	28	
March			662	251	913	27	
April			665	251	916	26	
May			668	252	920	25	
June			672	252	924	24	

(a) Employed in private households.

(b) Ascertained annually in March.

(c) Probably no change since July, 1945.

Note: Owing to time lag in obtaining actual records, the estimates for recent months are subject to revision. They do not necessarily reflect precise changes from month to month but show degree of change over periods of three months or longer.



2.

COMMONWEALTH EMPLOYMENT SERVICE (N.S.W.):

Vacancies registered with Commonwealth Employment Service offices for juvenile and adult male and female labour now greatly exceed the numbers of those waiting for placement. The number of unplaced men (unemployed or wishing to change jobs) has fallen from 12,900 in January to 6,900 in June. Only 1,400 of these were in receipt of unemployment benefits. A recent State survey of the Commonwealth Employment Service suggests that no serious pockets of unemployment exist. Most of those receiving benefits are only fit for light or medium types of work. A small labour surplus in some country towns will be absorbed as more industries move to the country, and in many districts, by public works; there is sufficient alternative demand for labour to absorb the seasonal surplus from the pastoral industries.

Apart from a general shortage of labour in Sydney, additional labour is needed in the mining and heavy industries, in the sawmilling industry and in some of the recently established factories in country towns.

REGISTRATIONS WITH COMMONWEALTH EMPLOYMENT SERVICE, NEW SOUTH WALES.

T h o u s a n d s

End of Month	JUVENILES				ADULTS				Unemployment Beneficiaries	
	Males		Females		Males		Females		Male	Female
	Un-placed	Vacancies	Un-placed	Vacancies	Un-placed	Vacancies	Un-placed	Vacancies		
1946-July	0.6	1.8	0.8	5.3	10.4	8.7	2.6	10.0	2.4	0.1
August	0.6	1.8	0.6	5.4	10.1	10.0	1.2	10.5	2.5	0.1
September	0.6	1.9	0.6	5.4	9.2	10.1	1.3	10.4	2.7	0.1
October	0.7	1.8	0.6	5.4	9.0	10.8	1.3	9.7	2.4	0.1
November	0.7	1.8	0.5	5.4	10.3	10.6	1.1	8.5	2.1	0.1
December	0.8	1.6	0.6	4.9	11.3	8.6	1.1	7.4	3.1	0.1
1947-January	1.0	1.8	0.8	5.1	12.9	9.7	1.5	7.8	3.2	0.1
February	1.0	2.0	0.7	4.8	12.4	12.8	1.4	8.4	3.6	0.1
March	0.9	2.0	0.7	4.9	9.3	14.1	1.5	7.5	1.7	0.1
April	0.8	1.9	0.6	4.8	8.3	12.3	1.3	7.4	1.8	0.1
May	0.8	2.1	0.6	4.8	8.1	11.3	1.4	6.9	1.8	0.1
June	0.7	2.4	0.6	4.6	6.9	12.2	1.2	7.4	1.4	0.1

EMPLOYEES IN INDUSTRIES:

Absence of major industrial disputes in June and continuing expansion of industry is indicated by the rise in factory employment to 335,500. The number of employees in the building and construction industries has risen from 34,900 at the end of the war to 56,700 in June, 1947 but is still below the level of July, 1939. About 60% of employees in that group are engaged in building and repair work, and the remainder on construction and maintenance of roads, railtracks, dams etc. Increased employment in road, rail and air transport industries is shown in the steady rise in the transport group from 100,500 in July, 1945 and 110,200 in July, 1946 to 115,600 in June, 1947. Retail traders and commercial bank and insurance companies continue to increase their staffs.



EMPLOYEES IN MAIN INDUSTRIES: NEW SOUTH WALES.

T h o u s a n d s (Males and Females combined)

Month	Factories	Building and Construction	Mining and Quarrying	Transport and Communication	Retail Trade	Commerce and Finance	Professional and Personal Services	Other	TOTAL Wage and Salary Earners(a)
1939-July	218.0	62.4	25.3	88.9	79.9	59.3	107.6	56.5	697.9
1945-July	302.3	34.9	24.9	100.5	67.7	56.7	115.4	85.5	787.9
1946-July	321.1	46.0	25.9	110.2	81.3	72.3	130.3	81.3	868.4
Oct.	328.6	49.3	26.5	110.5	83.3	75.6	134.7	80.8	889.7
Nov.	329.5	50.7	26.8	111.1	86.3	75.8	135.4	81.3	896.9
Dec.	327.1	50.4	26.6	110.9	89.4	75.9	136.0	81.8	898.1
1947-Jan.	329.4	51.9	26.5	112.1	86.9	76.2	136.8	82.1	901.9
Feb.	329.2	53.9	26.5	112.2	85.3	77.0	137.3	82.2	903.6
Mar.	335.3	53.9	26.3	112.5	85.7	77.8	139.0	82.8	913.3
Apr.	333.9	53.9	26.4	114.8	86.2	77.7	139.6	83.4	915.9
May	334.1	56.2	26.6	114.7	86.4	78.2	139.5	83.8	919.5
June	335.5	56.7	26.8	115.6	87.1	78.6	139.5	84.1	923.9
Variation(b)									
1946 to 1947	+6.0	+6.0	-	+4.5	+0.8	+2.8	+4.1	+2.8	+27.0
1945 to 1947	+33.2	+21.8	1.9	+15.1	+19.4	+21.9	+24.1	-1.4	+136.0

(a) Excluding rural workers and female domestics in private households.

(b) (+) denotes increase; (-) decrease.

EMPLOYEES IN FACTORIES:

Employment in all classes of factories has increased in recent months (excepting food, drink and tobacco works, which are subject to seasonal fluctuations). Construction of new factories and expansion of existing plant is continuing, particularly in the Sydney area, in new industrial areas such as Villawood and St. Mary's and in country centres (Goulburn, Tamworth and Cessnock). The shortage of skilled tradesmen in many industries remains acute. Shortage of materials has led to retrenchments in some instances, but workers affected are usually absorbed in other factories.

FACTORY EMPLOYEES: NEW SOUTH WALES

(Thousands)

Factory Class	1939	1945	1946	1947					
	July	July	Nov.	Jan.	Feb.	Mar.	April	May	June
Bricks, cement, glass, etc.	12.3	10.4	14.8	14.8	14.9	14.9	15.1	15.2	15.4
Chemicals, paints, oils, etc.	8.0	12.3	14.1	13.9	14.2	14.2	14.3	14.3	14.3
Motor trades (incl. vehicles)	81.3	143.7	139.2	139.2	137.5	141.8	141.3	141.1	141.7
Textiles	14.7	17.8	20.7	20.6	20.7	20.9	21.1	21.4	21.3
Clothing	29.1	33.4	40.9	40.3	40.5	40.9	41.1	41.4	41.4
Food, drink, and tobacco	26.4	32.5	34.7	34.8	35.3	36.1	34.4	34.0	34.2
Woolmills, woodworking, furniture	14.4	16.5	19.4	19.5	19.6	19.6	19.6	19.6	19.7
Paper, printing, etc.	16.4	15.7	20.1	20.1	20.3	20.6	20.7	20.8	21.0
Other factories (incl. heat, light, and power)	15.5	20.0	25.6	26.2	26.2	26.3	26.3	26.3	26.5
Total Factory Employees(a)	218.1	302.3	329.5	329.4	329.2	335.3	333.9	334.1	335.5

(a) Excluding Working Proprietors.



EMPLOYMENT OF FEMALES:

The number of women employees has shown only minor fluctuations between 251,000 and 252,000 during the past four months. There has been a slight improvement in the staff position in hospitals, in some cases by employing men instead of women.

FEMALE EMPLOYEES IN MAIN INDUSTRIES: NEW SOUTH WALES.  
(Thousands)

Month	Factories	Transport and Communication	Retail Trade	Commerce and Finance	Professional and Personal Services	Other	TOTAL Female wage and salary earners (a)
1939-July	59.3	5.3	32.5	10.2	47.7	13.0	168.0
1945-July	85.7	14.5	37.5	21.1	69.6	18.3	246.7
1946-July	83.2	12.9	39.2	21.1	73.3	13.3	243.0
Oct.	84.7	12.3	39.6	22.0	75.3	12.9	246.8
Nov.	85.6	12.2	41.3	22.0	75.6	12.8	249.5
Dec.	85.0	12.1	43.1	21.8	75.8	12.9	250.7
1947-Jan.	84.0	12.4	41.6	21.7	75.8	13.1	248.6
Feb.	85.1	12.7	40.3	22.0	75.9	13.0	249.0
March	86.4	12.7	40.5	22.1	76.7	13.2	251.6
April	85.3	12.7	40.6	22.0	77.3	13.2	251.1
May	85.6	12.7	40.7	22.1	77.0	13.4	251.5
June	85.6	12.8	40.7	22.2	77.1	13.7	252.1
Variation (b)							
Nov.'46 to June'47	...	+0.6	-0.6	+0.2	+1.5	+0.9	+2.6
July'39 to June'47	+26.3	+7.5	+8.2	+12.0	+29.4	+0.7	+84.1

(a) Excluding employees in rural industries and female domestics in private households.

(b) (+) denotes increase, (-) decrease.

The shortage of female employees remains particularly acute in the clothing and textile trades, which are also affected by the high rate of labour turnover. Some factories are training male machinists for jobs previously done by women.

FEMALE EMPLOYEES IN FACTORIES: NEW SOUTH WALES.  
(Thousands)

Factory Class	1939	1945	1946	1947					
	July	July	Nov.	Jan.	Feb.	March	April	May	June
Bricks, cement, glass, etc.	.5	.8	.8	.8	.8	.8	.8	.8	.8
Chemicals, paints, oils, etc.	2.7	4.0	4.6	4.4	4.5	4.5	4.5	4.4	4.4
Metal trades (incl. vehicles)	4.8	19.6	13.3	13.0	13.0	13.2	13.1	12.9	13.0
Textiles	9.2	11.1	11.3	11.0	11.1	11.1	11.2	11.5	11.3
Clothing	22.2	26.0	30.9	30.3	30.4	30.8	30.9	31.1	31.1
Food, drink, and Tobacco	9.3	11.6	10.6	10.8	11.5	12.0	10.8	10.8	10.9
Mills, woodworking, furniture	1.6	1.8	1.9	2.0	2.0	2.0	2.0	2.0	2.0
Paper, printing, etc.	5.4	5.6	6.2	5.9	5.9	6.1	6.1	6.2	6.2
Other factories (incl. heat, light, and power)	3.6	5.2	6.0	5.8	5.9	5.9	5.9	5.9	5.9
Total Female Factory Employees	59.3	85.7	85.6	84.0	85.1	86.4	85.3	85.6	85.6



COAL PRODUCTION:

Coal production in New South Wales in June and during the early part of July averaged nearly 250,000 tons a week, the best result so far this year. This rate of production would need to be maintained continuously if all essential requirements for coal, as calculated in the Davidson Report of 1946, were to be satisfied. But for the first 28 weeks of the current year, output totalled only 5.55 million tons, that is a weekly rate of 213,000 tons (excluding the holiday period in January). Underground production for the 28 week period in 1947 was slightly lower than for the same period of 1946, but there has been a considerable increase in open cut output particularly in the Western District.

COAL PRODUCTION, NEW SOUTH WALES

Thousand tons

Yearly Average	Underground	Open Cut	Total
1936-1939	10,004	...	10,004
1940-1944	11,156	81	11,237
1945	9,714	524	10,238
1946	10,466	750	11,217
<u>Period of 28 weeks</u>			
January-July, 1945	5,445	261	5,706
1946	5,184	345	5,529
1947	5,115	434	5,549

(Yearly figures from Mines Dept; weekly figures from Joint Coal Board)

IRON & STEEL PRODUCTION, GAS & ELECTRICITY CONSUMPTION:

Pig iron production in New South Wales and Whyalla in 1946-47 totalled about 1.14 million tons, that is 16% above the average of three pre-war years, but less than during the war years, when output reached 1.56 million tons (1941-42). Steel production in New South Wales was about 1.23 million tons in 1946-47, 9% more than the pre-war average but well below the wartime level (1.7 million tons in 1941-42). Accumulated wartime demands, newly established industries and the housing programme have greatly increased iron and steel requirements and current output is insufficient to meet all demands.

Gas and electricity consumption in Sydney has steadily increased during and since the war, and was 61% above pre-war level in 1946-47.

INDUSTRIAL INDICES

(Monthly Average, 1937-39 = 100)

Period	Pig Iron Production (a)	Ingot Steel Production	Gas and Electricity Consumption (Sydney) (b)
1938-39	112	103	104
1941-42	159	150	123
1944-45	114	119	143
1945-46	87	93	147
1946-47	116	109	161
1947-January	117	106	142
February	130	111	167
March	91	85	164
April	114	97	167
May	120	101	164
June (c)	112	102	168

(a) N.S.W. and Whyalla. (b) Seasonally adjusted. (c) Subject to revision.



INDUSTRIAL DISPUTES - NEW SOUTH WALES:

The number of man-days lost through industrial disputes in June was less than in any month of the past year. Only minor disputes occurred in coal mines. The long-drawn dispute at Austral Bronze was settled during the month, but work at the Botany factory of I.C.I. has not yet been resumed and the resulting shortage of chemicals is seriously affecting other industries.

INDUSTRIAL DISPUTES - NEW SOUTH WALES

(Thousand Man-days lost)

Annual Periods	Coal Mining	Other Employment	Total	Monthly Averages	Coal Mining	Other Employment	Total
1914-1918	520	603	1,123	1937-39	39	14	53
1919	241	1,892	2,133	1946	25	51	76
1920	320	1,980	2,300	1947 Jan.	36	195	231
1927-1939	474	170	644	Feb.	52	193	245
1940-1944	483	328	811	Mch.	50	85	135
1945	630	1,249	1,879	April	43	21	64
1946	299	617	916	May	58	19	77
				June	12	19	31

TIMBER IMPORTS:

During 1946-47 only 67 million superfeet of timber were imported into New South Wales from overseas as against 70 million super feet in 1945-46 and about 200 million super feet in 1938-39. The increased world demand for timber, shortage of shipping and high prices have greatly reduced the supply of timber from America and Canada. The doubling of the value of timber imports in spite of the heavy drop in quantities is due to the greatly increased import prices and, partly, to the fact that since the war most timber is imported as sawn timber, (Pre-war timber imports were mainly logs.)

IMPORT & OUTPUT OF TIMBER, NEW SOUTH WALES <sup>(a)</sup>

Year	Imports from			Value of O'seas Imp.	Sawn Timber, Output from local logs
	Interstate	Intra-state	Overseas		
	mill. superfeet			£mill.	mill. superfeet
1938-39	23	33	200	985	179
1945-46	(b)	(b)	70	1,020	252
1946-47	14	22	67	1,987	( 225 <sup>c</sup> )

(a) Imports excluding veneers, pickets etc. which are not recorded in superfeet and represent about 5-6% of the value of total timber imports from overseas. Interstate and intra-state imports into Sydney by sea.

(b) Not available.

(c) Ten months ended April, 1947.

Interstate imports of timber by sea into Sydney in 1946-47 were also considerably smaller than before the war. Efforts are being made to replace some types of timber previously imported by local timbers, and the local output of timber has been increased during and since the war years.

NEW SOUTH WALES RAILWAYS:

Passenger traffic on New South Wales railways in 1946-47 was slightly below the record figure of 1945-46 but exceeded the war time level and was 40% higher than in 1938-39. The tonnage of goods carried in 1946-47 also exceeded the pre-war level. The increase in traffic during the war years has led to a more intensive use of rolling stock with the result that gross earnings rose by 58% between 1938-39 and 1946-47, but this was greatly exceeded by the rise in working expenses (79%), and the surplus of gross earnings over working expenses in 1946-47 was only £4.47 millions, as compared with £6.38 millions in 1945-46 and £4.61 millions in 1938-39. The surplus on operations for 1946-47 plus the Government's contribution of £800,000 for developmental lines will not be sufficient to meet the annual capital charges (interest, sinking fund etc.), which totalled £7.03 millions in 1945-46. The rise in working expenses is mainly due to higher costs of labour and material, and is expected to continue for 1947-48 because of the effect of recent wage increases and of the 40-hour week. To meet the deficiency, railway fares are to be increased substantially.



## NEW SOUTH WALES GOVERNMENT RAILWAYS

ar	Month of June		Twelve Months ended June				
	Passenger Journeys	Gross Earnings	Passenger Journeys	Goods	Gross Earnings(a)	Working Expenses	Excess Earnings(b) over Working Exp.
	millions	£mill.	millions	Mill.tons	£mill.	£mill.	£mill.
9	14.8	1.58	186.7	14.68	19.15	14.54	4.61
5	21.6	2.51	254.1	17.79	31.58	24.67	6.91
6	21.8	2.58	267.4	15.87	31.31	24.93	6.38
7	23.3	2.38	261.6	16.54	30.35	25.88	4.47

(a) Excluding Government contribution of £800,000 annually for developmental lines.

(b) Available to meet debt charges.

## GOVERNMENT TRAMS AND BUSES (Sydney and Newcastle).

The number of passenger journeys on trams and buses in 1946-47 (490,000 in Sydney and 44,000 in Newcastle) was slightly below the war-time peak of 1944-45; as gross earnings were higher this was probably not due to a decline in traffic but to the partial abolition of wartime feeder services and consequently longer through runs. Comparing 1938-39 with 1946-47 passenger journeys have increased by 40%, gross earnings by 35% and working expenses by 63% in Sydney, (83%, 104% and 145% respectively in Newcastle), the rise in expenses being mainly due to higher staff costs. For each of the years 1932-33 to 1943-44, gross earnings of the Sydney services exceeded the total of working expenses, depreciation and capital debt charges, but in 1944-45 and 1945-46 a net deficit of £97,000 and £346,000 resulted, and for 1946-47 gross earnings were not even sufficient to meet working expenses. To the 1946-47 deficit of £122,000 on working account (Sydney and Newcastle) must be added depreciation and debt charges, which totalled £488,000 in 1945-46. Introduction of the 40-hour week will further increase working expenses during the current year, and replacement of rolling stock will require more capital expenditure. Increases in tram and bus fares which came into force on 1st July, 1947 are designed to increase earnings by over £1 million for 1947-48.

## NEW SOUTH WALES GOVERNMENT TRAMS AND BUSES

ended June	Sydney			Newcastle			Net Earnings Sydney & Newcastle (c)
	Passenger Journeys (a)	Gross Earnings	Working Expenses (b)	Passenger Journeys	Gross Earnings	Working Expenses (b)	
	millions	£000	£000	millions	£000	£000	£000
1939	351	4,082	3,460	24	292	247	667
1945	500	5,235	4,858	46	554	489	442
1946	497	5,372	5,286	45	563	540	109
1947	490	5,512	5,625	44	594	603	(-) 122

(a) Excluding passengers not travelling beyond the Sydney Harbour Bridge Section.

(b) Excluding depreciation and debt charges.

(c) Excess of gross earnings over working expenses. Deficit in 1946-47.

## MOTOR VEHICLES REGISTRATIONS:

**Cars:** Registrations of new motor cars in June, 1947 totalled 887, that is an improvement over earlier months but still only half the pre-war average. The Department of Road Transport holds about 21,000 applications for new cars, and at the rate at which new cars are coming on the market at present there is no prospect for an early satisfaction of the demand. World production of cars is only now approaching pre-war levels but the demand for cars has increased and the backlog accumulated during the war years remains unsatisfied. Shortages of labour, materials and transport facilities are holding back expansion of production; in Australia they are affecting the output of bodies for imported chassis. It remains to be seen how far rising prices will affect the demand. The total number of cars on the register in New South Wales was 201,500 at the end of June, 1947 as compared with 218,700 at outbreak of war.

**Lorries and Utilities:** The number of new lorries and utilities registered each month has steadily increased since January and is now approaching pre-war levels. At the end of June, 1947, 115,900 vehicles were on the register and



increase of 37,200 as compared with August, 1939 and of 29,800 compared with August, 1945. Increased imports and sales of Army vehicles have helped to ease the demand, but because of the need for replacing many vehicles on the roads supplies of new models are as yet insufficient for all requirements. The Department for Road Transport held about 11,800 applications for new utilities in June, 1947.

## REGISTRATION OF MOTOR VEHICLES, NEW SOUTH WALES

Period	NEW VEHICLES REGISTERED			CIVILIAN VEHICLES ON REGISTER x		
	Cars (a)	Lorries (b)	Total	Cars (a)	Lorries (b)	Total
36-39(Monthly Average)	1,718	660	2,378	218.7xx	78.7xx	297.4xx
45 - August	26	201	227	188.1	86.1	274.2
46 - August	319	521	840	194.0	102.2	296.2
December	893	430	1,323	197.9	108.8	306.7
47 - January	584	334	918	198.5	109.9	308.4
February	781	427	1,208	199.1	111.0	310.1
March	770	466	1,236	199.7	112.3	312.0
April	783	513	1,296	200.3	113.5	313.8
May	835	540	1,375	200.9	114.7	315.6
June	867	597	1,464	201.5	115.9	317.4

(a) Including motor buses and cabs.

(b) Including utilities, vans and tractors

x At end of month

xx At 31st August, 1939.

PART II: FINANCE AND TRADENINE TRADING BANKS:New South Wales.

Trading bank deposits in New South Wales rose from £117 millions in 1939 to £225 millions in 1945 (June quarter averages) and by a further £14 millions during 1945-46; but the rate of increase slowed down to £8 millions between the June quarters of 1946 and 1947. Interest-bearing deposits, which reached £78 millions in 1945, have since declined by £7 millions, while current deposits rose by £17 millions in 1945-46 and £12 millions in 1946-47.

Curtailement of private lending and repayments reduced advances from £120 millions in 1939 to £83 millions in 1945 (June quarter averages) but the increase in 1946-47 has almost restored the pre-war level. Because of higher prices, however, the volume of business financed in this way is much smaller than in 1938-39.

A fall in deposits from £249 millions in April, 1947 to £244 millions in June seems to be due to seasonal influences, such as termination of the wool and wheat sales and tax payments.

NINE TRADING BANKS, DEPOSITS AND ADVANCES IN N.S.W.

(Weekly Average - £ millions)

Period	Deposits	Advances	Period	Deposits	Advances
1st Qtr. 1939	117	120	1946 June	237	91
" 1943	170	93	1947 Jan.	247	105
" 1944	205	84	Feb.	247	106
" 1945	225	83	March	247	108
" 1946	239	88	April	249	112
" 1947	247	114	May	246	114
			June	244	117

Australia:

Although the growth of bank deposits in Australia still continues, the rate of increase has slackened. The increases were £44 millions in 1945-46 and £21 millions in 1946-47; decreases in each year of £11 millions in interest bearing deposits were offset by increases in current deposits of £55 millions and £32 millions, respectively.

During 1945 and 1946 demobilisation payments and other disbursements resulting from the war exerted an expansionary effect on the banking system. Government spending is now on a smaller scale, and the Government used cash surpluses during 1946-47 to reduce short-term debt. That contraction in credit more than offset the re-expansion of advances, from £208 millions in June, 1945 and £224 millions in June 1946 to £290 millions in June, 1947.

There were significant changes in the composition of the trading banks' assets during the year 1946-47. Holdings of Government securities and Treasury bills fell by £68 millions, while there were increases of £66 millions in advances to customers, £2 millions in cash items, £17 millions in the Special Account with the Commonwealth Bank (offsetting 80% of the increase in customers' deposits), and £4 millions in other assets (probably London Funds).

In recent months the seasonal expansion of advances has made a heavy demand on the banks' cash resources which was not fully met by the funds available from the retirement of Treasury bills and the "unfreezing" of a small part of the balances on Special Account. The ratio of cash to deposits stood at 5%, and that of Cash & Treasury bills to deposits was 7% in June, 1947, as compared with 12% in June, 1946.



NINE TRADING BANKS - BUSINESS WITHIN AUSTRALIA.  
(Weekly Averages - £ millions)

Month	Deposits at credit of Customers	Advances to Customers	Gov't & Municipal Securities	Special A/c.with Common- wealth Bank	Treas- ury Bills	Cash	Ratios to Deposits		
							Advan- ces	Cash & Treas -ury Bills	Special Account
							per cent	per cent	per cent
9 June	318	292	22	-	24	29	92	17	-
5 June	583	208	104	242	46	36	36	14	42
6 June	627	224	123	258	40	32	36	12	41
7 Jan.	642	264	86	268	29	46	41	12	42
Feb.	650	265	84	272	36	42	41	12	42
March	656	268	82	276	38	39	41	12	42
April	659	278	82	280	29	36	42	10	43
May	654	286	81	280	19	36	44	9	43
June	648	290	81	275	14	34	45	7	43

SAVINGS BANK DEPOSITS IN NEW SOUTH WALES:

There has been a steady decline in savings bank deposits from the peak of £237.3 millions reached in July, 1946 to £227.5 millions (excluding interest) at the end of June, 1947. Withdrawals during the first six months of the current year averaged £13 millions a month, as compared with a monthly average of £14.5 millions for the January-June period of 1946; and new deposits fell from £16.5 millions a month in 1946 (January-June) to an average of £12.5 millions in 1947. The fall of £4.8 millions in total deposits during the year 1946-47 is not considerable when compared with the increase of £38 millions in 1945-46 and an average increase of £34.5 millions for the three preceding war years. The reversal of the trend in 1946-47 followed the decline in distribution of demobilization pay and the increased use of savings for business, homebuilding or current spending, but withdrawals have so far been on a moderate scale.

NEW SOUTH WALES SAVINGS BANK DEPOSITS:  
(£ millions)

Month	Deposits lodged during Month	Withdrawals made during Month	Net Increase (+) or decrease (-) in Savings	N.S.W. Total Deposits	AUSTRALIA All Savings Banks Total Deposits
September	-	-	-	86.6	244.3
September	13.0	10.2	+ 2.8	207.5	593.0
May	16.6	15.3	+ 1.3	232.2	652.7
June	14.6	14.2	+ 0.4	232.6	652.6
crest added	(3.6)			236.2	663.6
July	16.6	15.5	+ 1.1	237.3	666.6
August	14.5	14.8	- 0.3	237.0	666.9
September	13.1	14.3	- 1.2	235.8	664.8
January	12.4	12.8	- 0.4	230.9	652.8
February	11.8	12.1	- 0.3	230.6	652.4
March	12.7	13.6	- 0.9	229.7	650.8
April	12.5	12.9	- 0.4	229.3	650.0
May	12.8	13.6	- 0.8	228.5	650.3
June	12.7	13.7	- 1.0	227.5	
crest added	(3.9)			231.4	

INTER-BANK CLEARINGS, SYDNEY.

The trend of business since the end of the war is reflected in the rising turnover at the Sydney clearing house. During the second half of 1946 the value of transactions was 31% higher than during the comparative period of 1945. The increase continued during the first six months of 1947 but at a slower rate. Comparing the March and June quarters of 1947 with 1946 the increase was 12% and 21% respectively. The value of cheque clearings is now over twice as high as before the war but much of this rise is due to higher price levels.

INTER-BANK CHEQUE CLEARINGS - SYDNEY  
(Monthly Averages)

Period	1945-46	1946-47	Percentage
	£ millions		Increase
September Quarter	124	162	31%
December Quarter	128	168	31%
March Quarter	130	145	12%
June Quarter	149	180	21%

COMMONWEALTH ACCOUNTS:

Approximate figures of Commonwealth Government accounts for 1946-47 show total revenue for the year as £431 millions; an excess of £26 millions over the budget estimate and of £40 millions over the previous year's revenue. Indirect taxes (customs and excise, sales tax) accounted for most of the increase above the estimates and yielded more than last year's revenue although rates were reduced from December, 1946. Income tax collections (including Social Service Contributions) for 1946-47 totalled approximately £208 millions or £7 millions less than in 1945-46 when higher rates were in force.

Non-war expenditure for the year was about £6 millions below estimate. Expenditure for social services totalled £62 millions, about £9 millions more than in 1945-46, the increase being due mainly to the greater cost of invalid and old age pensions and hospital benefits. Credits from Social Services Contributions and Pay Roll tax to the National Welfare Fund amounted to £64.6 millions, leaving a net addition of £2.6 millions to the Fund.

Expenditure for Defence and War II (£232 millions) included £25 millions granted to the United Kingdom, £8 millions for lend-lease settlement, £18 millions for international relief and £30 millions for Price Stabilization subsidies. The estimate for Defence and War II expenditure was exceeded by £11 millions because of the United Kingdom grant which had not been included in the original estimates.

The increase in revenue (£26 millions) and decrease in non-war expenditure (£6 millions) on estimates, less the excess of £11 millions under Defence and War II, left a balance of £21 millions in the Consolidated Revenue Fund which has been used to reduce expenditure from the loan fund. Loan expenditure for Defence and Post War II amounted to £37.3 millions (£152.9 millions in 1945-46) and advances to States for Housing from loan funds totalled £11 millions.



COMMONWEALTH GOVERNMENT ACCOUNTS FOR TWELVE MONTHS ENDED JUNE  
(£ millions)

Revenue			Expenditure		
Item	1945-46	1946-47 <sup>(a)</sup>	Item	1945-46	1946-47 <sup>(d)</sup>
Stamps & Excise	77.9	102.2	Social Services (b)	53.2	62.0
Income Tax	33.6	36.3	Tax Reimbursed to States	34.1	41.6
Corporate Tax	194.6	156.8	Other Payments to States	15.5	18.8
Unemp. Serv. Contrib.	20.0	51.0	Post Office	29.0	33.9
Payroll Tax	11.5	13.6	Other	)	58.8
Other Taxes	13.6	13.9	Self-balancing (a)	) 40.7	18.8
Total Taxation	351.2	373.8	Total of above	172.5	233.9
Post Office	28.5	29.8	Defence & War II-From Revenue	225.0	194.7
Other	) 11.1	( 8.8	From Loans	152.9	37.3
Self-balancing(a)	)	( 18.8	Total Defence & War II	377.9	232.0
TOTAL REVENUE	390.8	431.2	Housing - From Loans (c)	6.8	11.0
			Total Expenditure -		
			From Revenue (b)	397.5	428.6
			From Loans	159.7	48.3

- (a) Revenue from flour, wheat and wool charges, earmarked for assistance and promotion of wheat and wool industries.  
 (b) Including £6.7 millions paid in 1945-46 from Balance in National Welfare Fund. Net credit for 1946-47 remaining in National Welfare Fund was £2.6 millions.  
 (c) Advances to States for Housing. (d) Approximate, subject to revision.

SYDNEY STOCK EXCHANGE:

Prices for industrial and insurance shares remained generally firm during June, while shares of the retail, public utilities and pastoral finance groups receded slightly from the high May average. The total index of share prices (75 shares) stood at 258.1 at the end of June, a rise of about 12% since restrictions on share dealings were lifted in January, 1947 and of nearly 50% since the outbreak of war.

INDEX OF SHARE PRICES - SYDNEY.

Prices of Ordinary Shares (excl. Bank). Par value = 100.  
 (Compiled by N.S.W. Govt. Statistician)

Month	Manufacturing and Distributing	Retail	Public Utilities	Pastoral Finance	Insurance	Total 75 Companies	34 Active Shares
19-Aug.	212.6	168.2	156.0	118.2	263.9	174.4	181.9
2-March	173.0	138.3	120.8	110.3	213.7	140.6	147.0
5-Aug.	242.3	207.3	170.3	146.8	264.6	195.6	209.9
6-Aug.	285.7	244.6	193.6	165.1	312.2	226.2	244.5
Dec.	292.4	251.6	197.3	160.7	322.5	229.7	247.2
7-Jan.	307.8	289.0	202.9	165.5	343.8	243.8	259.6
Feb.	313.0	298.9	195.0	160.3	360.3	246.4	260.4
March	323.2	310.8	194.3	166.4	380.1	252.9	266.7
April	325.4	313.6	194.7	168.3	385.5	254.9	269.9
May	329.2	314.8	196.9	172.6	391.7	257.1	272.4
June	330.4	311.7	194.9	171.0	401.0	258.1	272.1

REAL ESTATE TRANSACTIONS (N.S.W.)

Sales of properties, as shown by transfer documents, averaged £4.45 millions a month during the first six months of 1947, which was below the high turnover of the two last quarters of 1946 (£5.20 millions) but higher than during the early part of 1946 (£3.5 millions) and well above the pre-war average. Inter-company transfers and acquisition of land for housing schemes

have contributed to the increase in land transfers since the end of the war, but the high number of individual transfers (3,930 a month in 1939, 6,770 a month in 1946 and 6,400 a month for the first half of 1947) indicates that individual buyers have been mainly responsible for the post-war activity in the real estate market.

#### REAL ESTATE TRANSACTIONS (N.S.W.)

(Monthly Averages £ millions)

Period	Sales	Mortgages
1938 Year	3.12	2.25
1945 "	2.35	0.81
1946 "	4.24	1.76
1946 September Quarter	5.37	2.10
December "	5.04	2.26
1947 January	4.56	1.86
February	4.73	2.03
March	4.39	2.00
April	3.59	1.67
May	4.76	2.30
June	4.62	2.08

#### RETAIL TRADE (Large Sydney Stores):

Comparing corresponding months, the value of sales in large city stores has continued to increase since the end of the war, but the year's increase (which reached 52% for May, 1946) has slowed down to 10 per cent for the current year to May 1947. Turnovers in 1946 were stimulated by demobilisation demands while now the gradual improvement in the stock position seems to keep turnovers high. Part of the increase is also due to rising prices. The value of sales in May, 1947 was 10% higher than in May, 1946 and 67% higher than in May, 1945. The value of stocks increased by 41% over May, 1946.

#### RETAIL TRADE - EXPERIENCE OF LARGE SYDNEY STORES.

Percentage increase (+) or decrease (-) on same month of previous year.

	1946					1947				
Month of	May	September	October	November	December	January	February	March	April	May
Sales	+52	+32	+28	+14	+33	+17	+12	+16	+13	+10
Stock	-13	+12	+21	+29	+38	+39	+39	+38	+39	+41

Comparing May, 1947 and May, 1946 the furniture section shows the largest increase. Sales in the clothing and piece goods section were 6% higher.

#### LARGE SYDNEY STORES

Percentage increase (+) or decrease (-) May 1947 compared with May 1946.

	Sales	Stock		Sales	Stock
	%	%		%	%
Piece Goods	+13	+28	Furniture	+36	+75
Men's Wear	+ 2	+40	Hardware	+13	+43
Women's Wear	+15	+19	Food & Perishables	+ 6	+45
Hats & Shoes	+ 1	+87	Miscellaneous	+ 2	+21
General Clothing & Piece Goods	+ 6	+37	All Classes	+10	+41

The rise in stock values is partly due to increased stocks of high-priced lines which are turned over slowly. Traders' returns to the Rationing Commission show that there has been only a small improvement in the availability of rationed clothing throughout the year, and that for most lines deliveries to traders during the January-May period of 1947 amounted to only one to two thirds of estimated requirements. A general survey of stocks in retail stores during the June quarter of 1947 indicated that the majority of shops hold less than a third of what they regard as normal pre-war stocks in most lines of clothing, piece and household goods, and that the stock position has not noticeably improved since the March quarter.



OVERSEAS TRADE - AUSTRALIA:

The value of civilian imports into Australia rose from £122.8 millions in 1945-46 to £211.2 millions in 1946-47 while imports on Government account fell by £52.8 millions. Total imports of £230.2 millions for 1946-47 compare with £124.1 millions in 1938-39, but as import prices have more than doubled since the outbreak of war the volume of imports in 1946-47 was probably well below pre-war level.

OVERSEA TRADE - AUSTRALIA  
(£A millions)

Merchandise	Twelve months ended June		
	1939	1946	1947 (a)
Imports: Civil Trade	124.1	122.8	211.2
Govt. Account		71.8	19.0
Total	124.1	194.6	230.2
Exports: Total	121.5	196.4	307.9
Balance	-2.6	+1.8	+77.7
Bullion and Specie			
Net Balance	+15.4	-25.1	- 1.0

(a) Preliminary, subject to revision.

(+) denotes excess of exports; (-) excess of imports.

Total exports of £307.9 millions for 1946-47 include £126.8 millions value of wool shipped. As the total value of wool sold in Australia during the 1946-47 season amounted to only £86.4 millions, from which purchases for local manufacturing (probably in the vicinity of £10-15 millions) must be deducted, it appears that shipments during 1946-47 included wool worth approximately £50-£55 millions from accumulated wartime stocks. This was sold and paid for in earlier years under the Wool Realization Agreement, so that total merchandise exports from current production in 1946-47 were probably in the vicinity of £A250-260 millions. For 1946-47, therefore, the balance of trade from current production (excess of exports over imports) is in the vicinity of £A20 millions to £A30 millions. Comparing 1946-47 with 1938-39, exports to the near-Eastern countries (India, Malaya, Hongkong, Ceylon), and to continental Europe, and the United States have greatly increased, while exports to the United Kingdom have proportionally declined. On the import side, Australia has proportionally increased its purchases from the United States, Canada, India, Ceylon, and Iran, and trade with Italy has greatly expanded since the end of the war.

IMPORTS & EXPORTS - AUSTRALIA (a)  
(£A millions)

Country	Imports		Exports	
	1938-39	1946-47	1938-39	1946-47
United Kingdom	50.5	81.8	68.7	87.6
New Zealand	2.7	4.9	6.7	12.9
Canada	9.7	18.3	2.0	5.4
India	3.6	19.1	2.0	13.0
Br. Malaya	1.1	3.4	1.9	18.4
Ceylon	1.1	7.2	1.3	7.1
Other British Countries	7.1	12.3	4.5	24.4
Total British Countries	75.8	147.0	87.1	168.8
United States	18.3	45.0	19.6	47.8
France	1.3	1.8	9.4	20.7
Belgium	1.3	1.7	5.5	19.1
Sweden	1.2	1.7	0.6	3.2
Netherlands	0.9	0.5	1.0	2.4
Germany	5.2	0.5	2.7	1.4
Italy	0.9	3.0	1.2	13.6
Japan	5.1	0.8	4.9	5.6
Iran	1.0	10.5	-	-
Others	16.7	18.8	8.5	25.4
All Countries	127.7	231.3	140.5	308.0

(a) Merchandise, bullion and specie.

Wool shipped in 1946-47 from previous clips went probably mainly to the United States and the United Kingdom.

NEW SOUTH WALES ACCOUNTS:

Revenue for the year 1946-47 totalled £75.1 millions, a rise of £3.2 millions over 1945-46 due to increased Commonwealth tax reimbursements (£1 millions), hospital benefits contributions (£1.1 millions) and higher receipts from stamp, probate and other taxes and from land revenue. The surplus on working account of the railways and Sydney Harbour was greatly reduced and tram and bus services showed an excess of £273,000 of expenses over earnings. Governmental expenditure rose from £24.9 millions in 1945-46 to £29.2 millions in 1946-47. Total expenditure from revenue funds for 1946-47 was £76.9 millions, that is £1,352,000 more than total revenue. Net loan expenditure for works amounted to £8.6 millions for 1946-47.

NEW SOUTH WALES GOVERNMENT ACCOUNTS FOR YEAR ENDED JUNE.  
(£ millions)

REVENUE	1945-46	1946-47	EXPENDITURE	1945-46	1946-47
Commonwealth x	18.4	20.4	Net debt Charges	15.4	14.8
taxation	6.7	7.7	Governmental	24.9	29.2
Governmental	7.5	7.9	Business Undertakings xx	31.2	32.9
Business Undertakings xx	39.3	39.1	Total Expenditure	71.5	76.9
Total Revenue	71.9	75.1			

- x Reimbursement of taxes, payments towards interests and hospital benefits.  
 xx Railways, Trams and Buses, Maritime Services. Excludes debt charges.  
 Accounts of the Road Transport and Traffic Fund are not included in this statement.



PART III: RURAL INDUSTRIES.

THE SEASON:

Rainfall in the sheep and wheat districts of the State was well below normal during April, May and June. Pastures are deteriorating, though the feed position is still fair in most districts. Rains are now needed in most parts of the wheat belt. Pastures are holding well in the dairying districts, and the condition of fodder crops is satisfactory, except in the North where very little rain fell in June.

RAINFALL INDEX, NEW SOUTH WALES

Weighted average ratio of actual to normal rainfall.

Normal rainfall each month = 100.

Period	Sheep Districts					Wheat Districts				Dairying Districts (x)		
	N.	C.	S.	W.	State	N.	C.	S.	State	N.	C.	S.
4 (Year)	66	54	53	53	57	68	51	52	53	87	69	60
5 (Year)	99	101	86	77	93	95	100	84	89	114	98	104
6 Sept.	203	68	15	156	99	160	47	10	39	101	76	52
Oct.	34	63	51	117	46	24	61	46	47	103	51	66
Nov.	84	77	191	73	116	71	100	196	155	45	66	225
Dec.	78	83	98	116	90	72	88	102	94	79	77	34
7 Jan.	77	21	8	7	31	51	27	8	18	190	75	31
Feb.	271	271	176	462	261	263	257	175	207	198	242	160
March	142	82	151	178	132	100	83	165	136	126	70	39
April	81	59	96	45	76	58	76	95	85	127	113	186
May	62	88	41	51	61	61	83	43	56	78	101	32
June	32	38	61	41	44	38	32	63	53	8	56	76

(x) Coastal districts only.

N. Northern; C. Central; S. Southern; W. Western.

WOOL:

Wool sales in New South Wales during the 1946-47 season (1946-47 clip) totalled 1,086,000 bales, that is the smallest quantity sold (or appraised) since 1930-31, but because of the greatly increased prices the value of sales reached £32.9 millions, the highest on record for any season. The quantity and value of the year's clip exceed sales as the above figures do not include New South Wales wool sold in Albany and other States, nor wool exported overseas prior to sale. Sales in the Commonwealth for 1946-47 totalled 2,949,000 bales valued at £92.3 millions which is also a record for values, the previous highest having been £73.9 millions in 1943-44.

SALES AND APPRAISEMENTS OF WOOL

Season	New South Wales (a)		Australia		Av. Price, Sydney per lb. greasy
	000 Bales	£ mill.	000 Bales	£ mill.	pence
0-31	1,037	11.7	2,521	28.2	8.7
8-39	1,177	15.5	2,930	38.7	10.3
9-40	1,430	25.9	3,621	64.7	13.4
0-41	1,357	23.7	3,506	61.0	13.1
1-42	1,379	24.2	3,608	63.6	13.1
2-43	1,263	26.4	3,521	73.6	15.1
3-44	1,342	27.8	3,607	73.9	15.3
4-45	1,145	22.8	3,123	62.6	15.1
5-46	1,157	23.6	2,866	58.2	15.1
6-47	1,086	32.9	2,949	92.3	23.3

(a) Sydney, Newcastle & Goulburn, not including Albany.

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Of the 1,086,000 bales sold in New South Wales in 1946-47, 82% were sold in Sydney, 14% in Newcastle and 4% in Goulburn. The sales consisted of 1,014,000 bales of greasy wool and 72,000 scoured wool. Offerings of scoured wool in Sydney have increased from 5% to 10% of the total since the war. At the end of the season wool from the current clip remaining in store totalled 41,000 bales, as compared with 14 thousand bales in June, 1946. Apart from clearances of current clip wool, large quantities of wool from earlier clips disposed under the appraisement scheme were shipped during the year.

MOVEMENT OF WOOL STOCKS, 1946-47  
(000 bales)

1946-47 Clip	New South Wales	Australia
Stores: Received	1,137	3,037
Disposed	1,096	2,964
Balance in Store	41	73
Exports (incl. wool from earlier clips)	1,812	4,176

Only about 2% of the wool offered for sale in 1946-47 did not reach the reserve price and was bought-in by Joint Organization. This consisted mainly of burry carbonising types for which the demand was not very strong. Joint Organization held about 3.8 million bales of Australian wool at 30th June, 1946 and bought-in during the year about 65,000 bales, but sales reduced stocks to 3.3 million bales at 30th June, 1947.

Preparations are now being made for the resumption of private trading with Japan, and it is expected that wool shipments to Japan will soon be increased substantially; to date, only 7,500 bales have been shipped since the end of the war. Great progress has been made in the restoration of mill capacity in continental Europe, and the demand from Holland, Belgium, France, Italy, Switzerland and Czechoslovakia and from German mills on British account is likely to continue strongly during the next season, but in some cases credit arrangements will have to be made to enable these countries to buy. The level of European demand will also depend on financial and economic assistance which they can obtain from America and elsewhere. American demand for Australian wool is expected to be continued fairly strongly, as the domestic clip amounts to only a third of mill requirements and does not produce the finer qualities used by worsted mills. There is also a growing market for wool in the Middle East and Eastern countries where new mills are being established.

#### WHEAT:

Returns of farmers (collected in April and May) indicate that the total area sown (or intended to be sown) with wheat in New South Wales for the 1947-48 crop is 5,195,000 acres. That is about 460,000 acres more than in 1946-47, and the greatest acreage since the 1938-39 season. Late sowings following on rains in May and early June may have led to some increase in the area sown subsequent to collection of farmers' returns. The area cut for hay or used for green fodder has varied from 280,000 to 600,000 acres, in recent years, so that the area harvested for wheat grain in 1947-48 may be in the vicinity of 5 million acres. As compared with 1946-47, sowings in 1947-48 were about 27% heavier in the Northern Districts and 11% heavier in the Central districts and 3% in the Southern districts. More rain is needed, particularly in northern districts where seeding has been delayed.

There is no immediate prospect for the relief of the world wheat shortage although production in the main exporting countries in 1946-47 was at a high level. Production of wheat, rye and meats in Europe has not yet recovered and these countries continue to require more wheat imports than before the war. The drop in the rice production in Asia has also led to an increased demand for wheat from Eastern countries. Consumption of wheat in the exporting countries themselves has been high in recent years because of prevailing prosperous conditions, but efforts are being maintained to provide as much for export as possible. Consequently, carry-over stocks are low, and exports in 1947-48 will again come mainly from current crops and there is risk



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of transport hold-ups akin to those experienced in America last year. The following table, which is quoted from the Review of Marketing and Agricultural Economics, shows movements in the chief exporting countries:

WHEAT MOVEMENTS - FOUR MAIN EXPORT COUNTRIES  
(million bushels)

Exporter	Initial Exportable Surplus	Crop	Domestic Disap- pearance	Total Exportable Surplus	Net Exports	Final Stocks
1939-40						
Canada	103	521	132	492	192	300
U.S.A.	250	741	663	328	48	280
Argentina	120	131	107	144	133	11
Australia	21	210	59	172	95	77
Total	494	1,603	961	1,136	468	668
1945-46						
Canada	258	318	167	409	339	70
U.S.A.	281	1,108	900	489	389	100
Argentina	82	143	154	71	50	21
Australia	11	142	77	76	56	20
Total	632	1,711	1,298	1,045	834	211
1946-47 (a)						
Canada	70	421	175	316	246	70
U.S.A.	100	1,156	791	465	350	115
Argentina	21	221	120	122	102	20
Australia	20	118	80	57	42	15
Total	211	1,916	1,166	960	740	220

(a) 1946 figures based on official forecasts, subject to revision.

The minimum requirements for wheat for Europe and Asia almost certainly exceed available supplies but the demand from the importing countries will depend on their foreign exchange resources and the willingness of the United States and United Kingdom to provide finance for the requirements of Germany and Japan. Full clearance of wheat supplies at the present high ruling prices therefore depends on the conclusion of satisfactory financial arrangements with the purchasing countries.

#### DAIRYING:

Factory butter production in New South Wales for the twelve months ended June, 1947 totalled 27,000 tons. - the lowest figure since 1920. For the three years preceding the war, production had averaged 49,600 tons; during the war it fell continuously to and stood at 32,000 tons in 1944-45 with a slight improvement to 33,100 tons in 1945-46.

PRODUCTION OF BUTTER IN FACTORIES, NEW SOUTH WALES  
(Thousand tons)

Period	Average, three years ending			1945-46	1946-47
	1938-39	1941-42	1944-45		
Months - July to December	22.0	21.0	18.9	16.1	11.0
h January	5.6	5.0	5.0	3.6	2.8
February	5.4	4.7	4.0	3.6	3.3
March	5.6	4.7	3.8	3.8	3.6
April	4.7	3.9	2.5	2.8	2.6
May	3.6	3.1	2.0	2.0	2.0
June	2.7	2.4	1.4	1.2	1.7
12 months July to June	49.6	44.8	37.7	33.1	27.0

Factory production of cheese totalled about 2,070 tons for 1946-47, which is also well below the average of earlier years.

PRODUCTION OF CHEESE IN FACTORIES, NEW SOUTH WALES  
(Thousand tons)

Average three years ending		1938-39	3.01
		1941-42	2.69
		1944-45	2.22
Year		1944-45	1.77
		1945-46	2.16
		1946-47	2.07 (a)

(a) Subject to slight revision.

The fall in butter and cheese production in recent years is mainly due to the general decline in dairying activity: the number of cows in milk in registered dairies has fallen from 691,000 at 31st March, 1939 to 595,000 in 1946. There has, however, been a considerable increase in the quantity of milk sold as fresh milk and used in the manufacture of milk products.

Milk supplies to the Sydney zone, although higher than last year, remain below current requirements. Rationing to consumers, after a temporary easing at the end of June, was re-introduced as from 23rd July.

MILK SUPPLIED TO MILK BOARD - SYDNEY  
(Four-weekly periods. Million gallons)

Four weeks ended:	1946			1947		
	May 2	May 30	June 27	May 1	May 29	June 26
Whole Milk	3.22	3.37	3.37	3.60	3.47	3.47
Net Cream (Milk Equivalent)	0.12	0.12	0.11	0.27	0.16	0.18